

## 4. The National Agricultural Cooperative Marketing Federation of India (NAFED)

**Prelims: Economics- Agriculture**

**Mains: GS-III- Major Crops Cropping Patterns in various parts of the Country, Transport and Marketing of Agricultural Produce and issues and Related Constraints.**

**Context:**

- ▶▶ NAFED has been tasked with purchasing all the apples that growers bring to sell at mandis in the Kashmir Valley.

**Background:**

- ▶▶ The **National Agricultural Cooperative Marketing Federation of India (NAFED)** has not bought a single kilogram of apples for the last three decades or more.
- ▶▶ This trade was always in private hands and the government didn't think it necessary to intervene.

**Concern:**

- ▶▶ A bumper crop, for which there would hardly be any private buyers with all the current movement restrictions, makes it all the more challenging.
- ▶▶ There is no MSP for apple.
- ▶▶ The state government will fix the procurement prices for different grades (A, B and C) and varieties.
- ▶▶ It is expected that we will pay 5 per cent more than the market price prevailing last year.
- ▶▶ The total cost of procurement operations is tentatively assessed at Rs 5,000 crore.
- ▶▶ Apple harvesting is now on mainly in HP, where an estimated 50-60 per cent of the fruit in the main belt of Shimla, Narkanda, Sainj and Rohru are still on the trees.
- ▶▶ Currently, Royal Delicious apple is fetching an average modal price of Rs 3,300 per quintal in Shimla, as against Rs 7,800-7,900 at this time last year. That has mainly to do with a bigger crop, likely in Kashmir as well.

## Why Such Move:

### Kashmir unrest

- ▶▶ Apple cultivation is the mainstay of Kashmir's economy with revenue of around Rs1,200 crore a year, and has been hit due to the clampdown post abrogation of the state's special status guaranteed under Article 370 of the Constitution.
- ▶▶ The move is aimed at helping farmers, and comes in the backdrop of New **Delhi imposing long-pending retaliatory tariffs on 29 US products.**
- ▶▶ Key items imported by India from the US include almond and fresh apples worth \$645 million and \$165 million, respectively.

### Stats:

- ▶▶ Jammu & Kashmir accounts for about 18 lakh tonnes (lt) out of India's total annual apple production of 23-24 lt, which also includes 4.5-5 lt from Himachal Pradesh and 50,000-60,000 tonnes from Uttarakhand.
- ▶▶ This year, the country's output is projected to touch 26 lt due to good snowfall, with J&K alone harvesting 20 lt or so.

### What is National Agriculture Cooperative Marketing Federation of India?

- ▶▶ The objectives of the NAFED shall be to organize, promote and develop marketing, processing and storage of agricultural, horticultural and forest produce, distribution of agricultural machinery, implements and other inputs, undertake inter-state, import and export trade, wholesale or retail as the case may be and to act and assist for technical advice in agricultural, production for the promotion and the working of its members, partners, associates and cooperative marketing, processing and supply societies in India.
- ▶▶ NAFED is the central agency assigned to procure directly from farmers and is expected to play a pivotal role in helping double farmers' income by 2022.

### Apple Economy:

- ▶▶ J&K apple production contributes 10 per cent to the total state income of \$20 billion.
- ▶▶ India is the fifth largest producer of apples in the world, even though its share in global apple production is just 3 per cent.
- ▶▶ More than two thirds of the National Apple Production comes from the Valley of Kashmir.
- ▶▶ **Absence of Logistics and Infrastructure**
  1. The complete concentration of production and area under apple cultivation is matched only by a complete absence of infrastructure; only 0.3 per cent of national storage capacity is in the state.
  2. There are just 36 cold storages in J&K out of the 6,000 in the country. In addition to this, there is no logistics infrastructure.

## About Apple:

- ▶▶ Around 20 Lakh tonnes of Apple is produced in India every year.
- ▶▶ The top apple producing states of India are Jammu & Kashmir, Himachal Pradesh, Uttarakhand & Arunachal Pradesh with their respective shares of 70%, 21.5%, 6.4% and 1.6%.
- ▶▶ Further, apple is also produced in Mizoram, Sikkim, Tamil Nadu and Nagaland also. Key apple varieties include: Michal, Mollies Delicious, Maayan, Anna, Chaubattia Anupam, Rich-e-Red, Gala, Firdous, Lal ambri , Kinnauri Apple etc.

